

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 1721  
Order No. R-1311-A

APPLICATION OF GREAT WESTERN  
DRILLING COMPANY FOR AN AUTO-  
MATIC CUSTODY TRANSFER SYSTEM,  
FOR PERMISSION TO COMMINGLE THE  
PRODUCTION FROM SEPARATE LEASES,  
FOR PERMISSION TO PRODUCE MORE  
THAN 16 WELLS INTO A COMMON TANK  
BATTERY, AND FOR AN ADMINISTRA-  
TIVE PROCEDURE WHEREBY WELLS  
MAY BE PRODUCED IN EXCESS OF TOP  
UNIT ALLOWABLE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on July 8, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 23rd day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Great Western Drilling Company, is the operator of the North Central Caprock Queen Unit Area which is located in Chaves and Lea Counties, New Mexico, and is more particularly described as follows:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM  
Section 13: All  
Section 14: All  
Section 15: SE/4 NE/4, E/2 SE/4  
Section 24: NW/4 NW/4

-2-

Case No. 1721

Order No. R-1311-A

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 17: N/2 NW/4

Section 18: W/2, NE/4

Section 19: NW/4 NW/4

(3) That the applicant is the operator of all leases within said unit which have been committed to the unit which includes all the aforementioned acreage except the SE/4 NE/4 and the E/2 SE/4 of Section 15, Township 13 South, Range 31 East, NMPM, which as of the date of this order has not been so committed.

(4) That the applicant proposes to commingle the Queen production from all committed leases included within the limits of the said North Central Caprock Queen Unit Area in a single tank battery.

(5) That the applicant seeks authorization to install a meter-type automatic custody transfer system to transfer the Queen production from all the committed leases within said unit to the purchaser.

(6) That the applicant further seeks authorization to produce more than 16 wells into said battery.

(7) That the applicant further proposes the establishment of a project allowable, which would comprise the top unit allowable for the Caprock-Queen Pool multiplied by the number of developed 40-acre units committed to the North Central Caprock Queen Unit Agreement, which allowable would be produced from any well or wells committed to the unit, in any proportion.

(8) That approval of the subject application will neither cause waste nor impair correlative rights and therefore the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Great Western Drilling Company, be and the same is hereby authorized to produce more than 16 wells into a common tank battery, and further to commingle the Queen production from all leases included within the limits of the North Central Caprock Queen Unit Area which is located in Chaves and Lea Counties, New Mexico, and is more particularly described as follows:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM

Section 13: All

Section 14: All

Section 15: SE/4 NE/4, E/2 SE/4

Section 24: NW/4 NW/4

-3-

Case No. 1721

Order No. R-1311-a

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 17: N/2 NW/4

Section 18: W/2, NE/4

Section 19: NW/4 NW/4

(2) That the applicant be and the same is hereby authorized to pass this commingled production through a meter-type automatic custody transfer system; provided, however, that the system shall be so equipped as to prevent the undue waste of oil in the event of malfunction.

(3) That the Proration Manager of the Commission be and the same is hereby authorized to establish a project allowable for the North Central Caprock Queen Unit Area. Said project allowable shall not exceed top unit allowable for the Caprock-Queen Pool multiplied by the number of developed 40-acre units committed to the North Central Caprock Queen Unit Agreement, which allowable may be produced from any well or wells within said unit, in any proportion.

PROVIDED HOWEVER, That applicant shall maintain adequate testing, treating, and storage facilities for said North Central Caprock Queen Unit Area.

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

IT IS FURTHER ORDERED:

That the provisions of this order shall be applicable only to that portion of the North Central Caprock Queen Unit Area which has been committed to the Unit Agreement. Upon notice to the Commission from the applicant Unit Operator that additional leases within the Unit Area have been committed to the Unit Agreement, this order shall from that time forward apply with equal force to such newly committed acreage.

-4-

Case No. 1721

Order No. R-1311-A

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

